

SECOND REGULAR SESSION

SENATE BILL NO. 1229

93RD GENERAL ASSEMBLY

INTRODUCED BY SENATORS CHAMPION, GROSS, COLEMAN, SHIELDS AND GIBBONS.

Read 1st time March 1, 2006, and ordered printed.

TERRY L. SPIELER, Secretary.

5458S.011

AN ACT

To repeal section 135.327, RSMo, and to enact in lieu thereof one new section relating to tax credits for children in crisis.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 135.327, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 135.327, to read as follows:

135.327. 1. Any person residing in this state who legally adopts a special
2 needs child on or after January 1, 1988, and before January 1, 2000, shall be
3 eligible to receive a tax credit of up to ten thousand dollars for nonrecurring
4 adoption expenses for each child adopted that may be applied to taxes due under
5 chapter 143, RSMo. Any business entity providing funds to an employee to
6 enable that employee to legally adopt a special needs child shall be eligible to
7 receive a tax credit of up to ten thousand dollars for nonrecurring adoption
8 expenses for each child adopted that may be applied to taxes due under such
9 business entity's state tax liability, except that only one ten thousand dollar
10 credit is available for each special needs child that is adopted.

11 2. Any person residing in this state who proceeds in good faith with the
12 adoption of a special needs child on or after January 1, 2000, shall be eligible to
13 receive a tax credit of up to ten thousand dollars for nonrecurring adoption
14 expenses for each child that may be applied to taxes due under chapter 143,
15 RSMo; provided, however, that beginning on or after July 1, 2004, a minimum of
16 fifty percent of the tax credits allowed shall be allocated for the adoption of
17 special needs children who are residents or wards of residents of this state at the
18 time the adoption is initiated. Any business entity providing funds to an
19 employee to enable that employee to proceed in good faith with the adoption of

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

20 a special needs child shall be eligible to receive a tax credit of up to ten thousand
21 dollars for nonrecurring adoption expenses for each child that may be applied to
22 taxes due under such business entity's state tax liability, except that only one ten
23 thousand dollar credit is available for each special needs child that is adopted.

24 3. Individuals and business entities may claim a tax credit for their total
25 nonrecurring adoption expenses in each year that the expenses are incurred. A
26 claim for fifty percent of the credit shall be allowed when the child is placed in
27 the home. A claim for the remaining fifty percent shall be allowed when the
28 adoption is final. The total of these tax credits shall not exceed the maximum
29 limit of ten thousand dollars per child. The cumulative amount of tax credits
30 which may be claimed by taxpayers claiming the credit for nonrecurring adoption
31 expenses in any one fiscal year prior to July 1, 2004, shall not exceed two million
32 dollars and shall not exceed four million dollars in any one fiscal year beginning
33 on or after July 1, 2004; provided, however, that [in the first ninety days
34 following each July first], if less than two million dollars in credits have been
35 issued for adoption of special needs children who are not residents or wards of
36 residents of this state at the time the adoption is initiated, the remaining amount
37 of the four million dollar cap shall be available for the adoption of special needs
38 children who are residents or wards of residents of this state at the time the
39 adoption is initiated. **For all fiscal years beginning on or after July 1,**
40 **2006, applications to claim the adoption tax credit for children who are**
41 **residents or wards of residents of this state at the time the adoption is**
42 **initiated, or for the adoption of special needs children who are not**
43 **residents or wards of residents of this state at the time the adoption is**
44 **initiated, may be filed between July first and April fifteenth of each**
45 **fiscal year.**

46 4. Notwithstanding any provision of law to the contrary, any individual
47 or business entity may assign, transfer or sell tax credits allowed in this
48 section. Any sale of tax credits claimed pursuant to this section shall be at a
49 discount rate of seventy-five percent or greater of the amount sold.

50 5. The director of revenue shall establish a procedure by which, for each
51 fiscal year, the cumulative amount of tax credits authorized in this section is
52 equally apportioned among all taxpayers within the two categories specified in
53 subsection 2 of this section claiming the credit in that fiscal year. To the
54 maximum extent possible, the director of revenue shall establish the procedure
55 described in this subsection in such a manner as to ensure that taxpayers within

56 each category can claim all the tax credits possible up to the cumulative amount
57 of tax credits available for the fiscal year.

58 6. [The director of revenue shall submit to the general assembly, by
59 January 1, 2005, and each succeeding year, information by income levels of those
60 individual taxpayers who have qualified and claimed the credit authorized in this
61 section, regardless of whether those taxpayers have assigned, transferred, or sold
62 such credits. The information shall indicate the number of such taxpayers with
63 federal adjusted gross income in the immediately preceding tax year of less than
64 one hundred fifty thousand dollars, of one hundred fifty thousand dollars to and
65 including one hundred ninety thousand dollars, and of more than one hundred
66 ninety thousand dollars.] **For all tax years beginning on or after January**
67 **1, 2006, a tax credit may be claimed equal to fifty percent of an**
68 **approved contribution to CASA, child advocacy centers, or crisis care**
69 **nursery and shall be named the "children in crisis" tax credit. The tax**
70 **credit shall be issued to the taxpayer by the agency receiving the**
71 **contribution and also be certified to the director of revenue, including**
72 **the taxpayer's name, Social Security number, amount of tax credit,**
73 **amount of contribution, and the date the contribution was made. The**
74 **child advocacy tax credit is not refundable yet the unused portion may**
75 **be carried forward for up to five consecutive years.**

76 7. **The cumulative amount of the tax credits described in**
77 **subsection 6 of this section shall not exceed the unclaimed portion of**
78 **the resident adoption category allocation as described in this**
79 **section. The director of revenue shall determine the unclaimed portion**
80 **available. The amount available shall be equally divided among the**
81 **agencies described in subsection 6 of this section to be used towards**
82 **tax credits issued. In the event tax credits claimed under one agency**
83 **do not total the allocated amount for that agency, the unused portion**
84 **for that will be made available to the remaining agencies as**
85 **needed. After CASA, child advocacy centers, and crisis care nursery**
86 **tax credits have been claimed, any remaining unclaimed portion of the**
87 **reserved allocation for adoptions of children who are residents or**
88 **wards of resident of this state shall then be made available for adoption**
89 **tax credit claims of special needs children who are not residents or**
90 **wards of residents of this state at the time the adoption is initiated.**

91 8. **The department may promulgate such rules or regulations as**
92 **are necessary to administer the provisions of this section. Any rule or**

93 portion of a rule, as that term is defined in section 536.010, RSMo, that
94 is created under the authority delegated in this section shall become
95 effective only if it complies with and is subject to all of the provisions
96 of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This
97 section and chapter 536, RSMo, are nonseverable and if any of the
98 powers vested with the general assembly pursuant to chapter 536,
99 RSMo, to review, to delay the effective date, or to disapprove and annul
100 a rule are subsequently held unconstitutional, then the grant of
101 rulemaking authority and any rule proposed or adopted after August
102 28, 2006, shall be invalid and void.

✓

Bill

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